

**PROPOSED ISSUES  
KENTUCKY BOARD OF EDUCATION  
2008 LEGISLATIVE AGENDA**

***PRINCIPAL SELECTION***

***Expand the criteria for low performing schools (beyond Level 3 for two successive biennia) for which either the superintendent or the highly skilled educator would select the principal if there were a vacancy.***

Currently, a superintendent or a highly skilled educator may assume the responsibility of the school council if the council does not improve its functioning when that school has been at Assistance Level 3 for two successive biennia. This authority, based on the findings of a scholastic audit, includes hiring a principal if there is a vacancy. Strong leadership is essential for turning around struggling schools and should occur more quickly. The responsibility for hiring principals in Level 3 schools, which are the state's lowest performing, should be assigned to the superintendent, after consultation with the council and the highly skilled educator, unless the council authority has been transferred to the highly skilled educator.

***SCHOOL FACILITIES EVALUATION COMMITTEE RECOMMENDATIONS***

The 2006 budget bill required the Kentucky Department of Education, in partnership with the School Facilities Construction Commission, to conduct a comprehensive evaluation of the processes for planning, funding and maintaining school facilities. Local superintendents, finance officers, facility managers and other local school personnel, worked on this effort. The group recommended a number of changes to state statutes, including the following:

***Taxing Authority***

***Amend KRS 157.440 (Facilities Support Program of Kentucky) to increase the five-cent equivalent tax rate for facilities to ten cents. All districts should be required to levy ten cents. Those districts already levying ten cents or more are authorized to levy an additional five cents, but not required. All facility funding (except the growth levy) should become part of the FSPK program.***

Local districts need additional funds to meet the facilities needs of Kentucky's school districts. Increasing the required tax rate for participation in the FSPK from five cents to 10 cents ensures continuation of an equitable program, with the addition of both state and local funding. This will provide an estimated \$175 million available for bonding for school facilities from state and local sources.

***Amend KRS 160.470 to permit a local board of education to levy a tax rate no lower than the rate set by the board in the previous year.***

The interaction between SEEK and existing taxing authority statutes will sometimes require districts to lower tax rates. While the phenomenon is more common in growing districts, it is not limited to growth. Assessment changes and changes in base SEEK funding can yield a similar result. The five cent equivalent tax rate for FSPK and any other dedicated facility levies must be set aside from a district's tax levy. If a district is forced to lower the tax rate, the facility levy comes off the top, resulting in the potential reduction of the percentage of local revenue dedicated to the General Fund. This funding for facilities should not come at the expense of the General Fund. This change also recognizes the special needs of growing districts, and the authority to maintain tax rates is one way to assist in meeting their unique needs.

***Remove the sunset of the facility growth nickel provision.***

Authority to levy the growth nickel as provided in KRS 157.621 expired when the General Assembly fully funded the Facilities Support Program. Every budget bill since the sunset provision went into effect has allowed qualifying local boards to levy the tax. While the growth nickel affects only a few districts, it should be a viable option for those who qualify when experiencing exceptional growth without the capacity to address it.

***Use of Restricted Funds Capital Outlay and FSPK***

***Allow Capital Outlay to be used for Tier 2B Maintenance with KDE approval (replacement of components of a useful system that is expected to operate for at least three more years and identified on the facility plan).***

***Allow Capital Outlay and FSPK to be used for Tier 3 Capital Replacement (one major building system).***

***Allow Capital Outlay to be used for maintenance without forfeiting the district's participation in SFCC upon approval of the commissioner. Maintenance does not include property insurance.***

Existing law does not include a definition of maintenance. Sound, intentional maintenance of buildings is one of the best ways to address equity and to preserve the financial commitment to the schools of Kentucky.

***Allow rapid-growth districts to use restricted or special funds for operational purposes during the first biennium of a new school's operation.***

One of the many challenges that a high growth district faces is the operational expenses of new schools. Allowing the use of restricted funds for this purpose would help bridge the gap from move-in until the funding catches up with the operation.

***Modify KRS 154.420 and KRS 157.440 to allow land for new schools or modifications to existing schools to be purchased with restricted cash for projects noted on the District Facilities Plan for use in the next eight years. Land would not be counted in the calculation of need.***

The OEA report noted that, “School districts that have sufficient bonding potential to purchase land at the same time that construction is approved are permitted to pay for land with SFCC (School Facilities Construction Commission), building fund or capital outlay funds. However, most districts must purchase land in anticipation of school construction because they do not have sufficient bonding potential to acquire land and begin construction immediately. This puts districts with limited bonding potential at a disadvantage because they cannot use facility funds for land and must finance land with general fund dollars. In addition, this contributes to an inequitable treatment of districts. Forcing districts to bear this expense out of general fund dollars, even for a short time, creates an undue burden on the districts.

#### **DROPOUT PREVENTION GRANTS**

***Amend KRS 158.146(4) to remove priority in the awarding of dropout prevention grants to districts with chronically high dropout rates, remove the requirement to direct 75% of available funds to elementary and middle school students and 25% to high school students, and focus the grant program on supporting promising and proven practices that are systemic, scaleable, and replicable, and aligned with the principles of secondary reform.***

Dropout prevention needs to move forward in the context of persistence to graduation for all students and be more closely tied to the overall middle and high school reform agenda. KRS 158.146(4) requires that priority for grants be given to districts that average over a three-year period a dropout rate of 5% or more. When the statute was enacted, that criterion captured a large number of districts. Today, because of the progress that has been made, the number of eligible districts is much smaller. Because these districts must receive priority, some districts that would not otherwise be recommended for funding receive grants repeatedly.

#### **SURPLUS TECHNOLOGY PROPERTY**

***Allow schools to surplus technology property without public bid to provide refurbished computers to needy students for home use.***

School districts would like to establish and operate a local "No Child Left Offline Program." Several national studies show that students without a computer in their home are at a clear disadvantage in completing academic assignments and collaborating with their peers on school related projects.

Currently, districts must advertise surplus computers for sale. Only if no one bids can districts give the computers to needy K-12 students for home use. At the state level, surplus computers are collected from state agencies, refurbished by state prisoners and then given to needy eighth graders for their instructional use at their home. Many

students are not reached by the state program. Students could greatly benefit in two ways if local districts were permitted to give their surplus computers directly to students. First, it gives K-12 students who are part of student technology leadership programs and area technology centers the technical experience of refurbishing computers and an opportunity for community service. Second, computers bought by K-12 for K-12 students can continue to be used by K-12 students for instructional use at home.

#### **COMPENSATION FOR RETIRED EDUCATORS WORKING ON SCHOLASTIC AUDITS AND REVIEWS**

***Allow retired educators serving on scholastic audit and review teams to be paid at the same daily rate as the other team members, as opposed to the limitation of 65% or 75% of the individual's final annual compensation measured on a daily rate.***

Scholastic audits and reviews are a keystone of the department's school improvement efforts. The department has traditionally relied on experienced, retired educators to fill these teams; however, the state laws for retired educators have changed and limit retirees to earning 65% or 75% of their annual daily rate depending upon their years of service. Previously, educators who retired before June 2002 and worked less than 100 days were not subject to this salary limitation. This has greatly reduced the applicant pool for the teams and will reduce the experience level of the teams.